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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

HP-26

January 15, 1932

WORLD HOG AND PORK PROSPECTS

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SUMMARY

Hog prices in both the United States and Europe declined during most of December, according to the Bureau of Agricultural Economics. In the United States, however, there was some recovery in prices during the last two weeks of the month. Both domestic and foreign slaughter supplies increased seasonally during the month. In the United States, slaughter was 28 per cent greater than in November and 16 per cent greater than in December 1930. Slaughter in Germany reached unusually high levels in November.

The December 1931 Pig Survey indicated an increase of nearly 20 per cent in the fall pig crop in the United States. However, breeding intentions for the 1932 spring crop as reported by this survey indicated that the number of sows to farrow next spring would be only slightly larger than the number that farrowed in the spring of 1931. The German hog census for December 1, 1931, showed a 15 per cent reduction in the number of sows in farrow.

Imports of bacon by the United Kingdom during November were smaller than in October, but were still on a higher level than in November 1930. United Kingdom lard imports on the other hand, increased during the month, but were smaller than in November a year earlier. Total exports of pork products from the United States in November were considerably smaller than in October and were much below the November 1930 total.

United States

Hog prices advanced during the last part of December after declining during the first three weeks of the month to the lowest levels since 1899. The lowest weekly average price at Chicago was $4.06 per hundred pounds for the week ended December 19 and the average price for the entire month at that market was $4.20 as compared to $4.61 in November and $7.92 in December, 1930. As is usual for this time of year, there has been some tendency for the price spread between light and heavy weight hogs to widen with the decline in the proportion of light weight hogs in the market receipts. This price margin of light weight over heavy weight hogs, however, is now only about one-half as large as a year ago.

The hog-corn price ratio advanced slightly during December. The decline in corn prices during the month more than offset the decline in hog prices. Based on Chicago prices the December ratio was 11.3 as compared with 10.8 in November and 11.5 in December, 1930.

The seasonal increase in hog slaughter during December was greater than usual. The number of hogs slaughtered under Federal inspection, amounting to 5,387,000, was 27.7 per cent larger than that of the preceding month and 15.9 per cent larger than the slaughter in December, 1930. Hog slaughter during the first three months of the current marketing year beginning October, 1931, was 13,376,000 head, which was an increase of 10 per cent over that of the corresponding period last year, but was not greatly different from the total slaughter during those months two years ago. The average light weight of hogs slaughtered during the last three months has been slightly under that of the same period in 1930.

The December 1931 Pig Survey made by the Department of Agriculture in cooperation with the Post Office Department indicated an increase in the fall pig crop of 19.7 per cent. This increase combined with the indications of the June pig survey as to the increase in the 1931 spring pig crop gives a total pig crop for both the United States and the Corn Belt in 1931 about 9 per cent larger than the total in 1930.

The increase in the fall pig crop was 21 per cent in the North Central States (Corn Belt) where over 80 per cent of the commercial hog supply is produced; 15.8 per cent in the North Atlantic States, 3.7 per cent in the South Atlantic, 19.2 per cent in the South Central and 33.2 per cent in the Western. For the United States it was the largest percentage increase in the fall pig crop over the previous year reported in the ten years for which similar surveys have been made and second largest for the Corn Belt.

The number of sows bred or to be bred to farrow in the spring of 1932 shown by the survey was about 13 per cent larger than the number farrowed in the spring of 1931 for the United States but only 5.5 per cent larger for the Corn Belt. When allowance is made for the spread between December breeding intentions and farrowings reported the following June, as shown by previous surveys, the estimate of the number of sows to be farrowing next spring for the United States as a whole is about 2 per cent larger than in the spring of 1931 but in the Corn Belt about 5 per cent smaller.

A larger number of hogs over six months of age, including brood sows and gilts, on December 1, 1931, than on the same date of 1930 is indicated by the survey, when the number of such hogs per farm for the December 1931 survey is compared with corresponding figures from the same survey of the previous year. For the North Central States the increase was about 4 per cent, which corresponds rather closely with the increase in the 1931 spring pig crop as shown by the June 1931 survey.

Wholesale prices of cured pork were fairly stable during December but fresh pork prices declined materially during the last two weeks of the month. Prices of all weights of fresh loins declined about $2.00 per hundred pounds during the last half of the month. Prices of 8-10 pound loins at New York averaged $10.22 per hundred pounds in December as against $12.64 in November and $18.50 in December, 1930. The average price of smoked hams regular No. 1, 12-14 pounds at New York was $15.55 in December compared with $17.50 in November and $24.07 in December a year earlier.

Lard prices declined in December. The average price of refined lard at Chicago was $7.65 per hundred pounds in December compared with $8.47 in November and $10.70 in December, 1930. The December, 1931 average was the lowest price for the month since 1905.

Total exports of pork products from the United States decreased materially in November. The decrease was especially marked in the case of bacon. Exports of hams and shoulders showed some increase during the month.

Total bacon exports in November amounting to 1,912,000 pounds were 35 per cent below the October movement and 45 per cent under the exports of November, 1930. Practically all of this decrease was due to the reduction in the exports to Germany. Takings of both the United Kingdom and Cuba increased somewhat during November.

Lard exports during November also showed a marked decline. The total movement amounting to 35,205,000 pounds was 19 per cent less than the October exports and 17 per cent below those of a year earlier. Takings of both the United Kingdom and Germany were reduced materially from October, the former by 19 per cent and the latter by 31 per cent.

The export movement of hams and shoulders increased somewhat during November. The November total of 6,859,000 pounds was 22 per cent above that of October but was 32 per cent below the November 1930 exports. There was a very marked increase in the Canadian takings of these cuts, but the movement to other countries was reduced. Exports to the United Kingdom during the month were only about one-half as large as in October.

With slaughter considerably larger than a year earlier and exports in December, 1931 further reduced, storage stocks of pork and lard were increased materially. Stocks of pork on January 1 amounting to 559 million pounds, were 165 million pounds or 42 per cent larger than those on December 1. They were 7 per cent larger than those on January 1 last year, but were about the same as the 5-year January 1 average. Lard stocks increased 17 million pounds during the month. The total on January 1 was 1 per cent smaller than on that date a year earlier and was 21 per cent smaller than the 5-year average for January 1.

Canada

Marketings a/ of hogs in Canada during the four weeks ended December 23 totaled 268,000 compared with only 163,000 during the same period last year and 278,000 during the four weeks of November 1931. The average price of bacon hogs at Toronto for the four weeks ended December 23 was $3.96 per 100 pounds, compared with $4.70 in November 1931 and $10.18 in December 1930. According to the Canadian Government report the average price of hogs at Toronto for the week ended December 17 reached a low level of $3.65 per 100 pounds, but recovered during the following week because of a marked reduction in market supplies.

United Kingdom

The stronger sterling exchange during the first three weeks of December was instrumental in maintaining the Liverpool average price of American green bellies at $7.73 per 100 pounds, according to cabled advices from Agricultural Attache E. A. Foley at London. The December figure, however, was among the lowest on record, as was the average of $7.31 paid for Danish Wiltshire sides. American short cut green hams also were down at $10.90. Sterling quotations on Danish bacon showed a tendency to go lower as December advanced. The whole range of December cured pork prices were under November levels, and less than half the values prevailing at the same time last year. Liverpool stocks of cured pork on January 1 stood at 1,682,000 pounds against 1,864,000 pounds on December 1, 1931 and 2,433,000 pounds on January 1, 1931.

Total British bacon imports during November of 105,372,000 pounds, were somewhat smaller than in October but were higher than for any November on record. Total imports for the first two months of the 1931-32 season were 17.5 per cent higher than a year ago, the former record year. Heavy receipts from Denmark accounted for most of the November advance. In both October and November, the first two months of the current pork marketing season, British imports of bacon from Denmark were in excess of 71 million pounds. The two-month total is 9 per cent larger than that of last year, when the inflow of Danish bacon was regarded as exceptionally heavy for those months. November imports from other continental countries were below the October level, but larger than a year ago. Imports from the Irish Free State also were down from October levels, but above last year's figures. Imports from Canada, however, increased. Total ham imports were larger also.

Liverpool prices averaged only $7.25 for American prime steam western lard during the first three weeks of December. Sterling quotations were firm early in the month but weakened as December advanced. The new low average was 96 cents under the October figure and $4.00 under the December 1930 average. Liverpool lard stocks on January 1 stood at 1,391,000 pounds against 990,000 pounds on December 1, 1931 and 1,068,000 pounds on January 1, 1931. Total lard imports into Great Britain during November, at 19,234,000 pounds, were larger than in the preceding month, but smaller than a year ago. With imports for both October and November smaller than last year, the total for the first two months of the current season is 27.4 per cent below last season and the smallest for those two months since the 1926-27 season.

a/ Gradings at stockyards and packing plants.

Additional evidence of increased British domestic pork supplies appears in an increase of 13.2 per cent in market receipts of fat pigs during October and November at representative markets. At London Central Markets, receipts of British and Irish fresh pork reached the unusually large total of 10,817,000 pounds. For the two months October and November 1931, such receipts were 25 per cent larger than for the first two months of the 1930-31 season. Irish hog killing for curing made a seasonal decline in December, but continued larger than last year.

Continental Europe

Countries important in British market supplies

Preliminary returns place Danish bacon exports for November at more than 70 million pounds, a figure in keeping with those of recent months and the heaviest November export on record. Including the preliminary November figure, Danish bacon exports for the first two months of the new season were 9 per cent larger than last season for the same period, when the movement was regarded as exceptionally heavy. A reduced movement from the Netherlands is reflected in unusually small November imports into Great Britain. The heavy October shipments, however, kept the movement of Netherlands bacon to Great Britain for the first two months of the 1931-32 season at about the same level as last year.

Germany

The seasonal downward movement in German hog prices resulted in an average of $8.21 per 100 pounds for heavy hogs at Berlin during December, according to cabled advices from Agricultural Attache L. V. Steere at Berlin. That average was one of the lowest of any month on record, and represented a decline of more than $4.25 below the December 1930 average. November hog prices also were unusually low, but in that month prices of important feedstuffs turned upward.

A 15 per cent reduction in the number of sows in farrow in Germany on December 1, 1931, is shown by the preliminary returns of the hog census for that date. This indicates a considerable reduction in breeding operations. While the total number of hogs, estimated at 23,800,000, was slightly larger than on the same date of 1930, the number of sows in farrow was only 1,110,000 compared with 1,307,000 a year ago. See table on next page.

GERMANY: Number of hogs according to detailed classification, specified dates 1914, 1927-1931

Date of census	Young pigs: Under 8 weeks	Young pigs: 8 weeks to 6 months	6 months to 1 year: Breeding sows: In farrow	6 months to 1 year: Breeding sows: Total	6 months to 1 year: Total excl. sows & boars	1 year and over: Breeding sows: In farrow	1 year and over: Breeding sows: Total	1 year and over: Total excl. sows & boars	Total hogs
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
June 2, 1914 ..		14,825		714			1,531		22,118
Dec. 1, 1927 ..	4,379	9,910		504	5,185		1,218	1,584	22,899
June 1, 1928 ..	4,936	9,557		707	3,390		1,150	335	20,187
Dec. 1, 1928 ..	4,003	8,487		556	4,520		1,063	1,372	20,106
June 1, 1929 ..	4,160	8,099		671	2,341		1,145	275	16,795
Sept.1, 1929 ..	5,373	8,290		652	3,585		1,208	387	19,604
Dec. 1, 1929 ..	4,412	8,679		663	3,880		1,178	1,006	19,944
Mar. 1, 1930 ..	5,012	8,555	455	722	2,712	792	1,229	315	18,649
June 1, 1930 ..	5,091	9,178	574	876	2,909	915	1,356	280	19,805
Sept.1, 1930 ..	6,522	9,809	442	812	4,256	861	1,467	440	23,423
Dec. 1, 1930 ..	5,440	10,003	368	673	4,730	939	1,496	893	23,365
Mar. 1, 1931 ..	5,750	10,231	425	706	3,176	927	1,517	291	21,790
June 1, 1931 ..	6,027	10,350	409	693	3,424	921	1,663	246	22,528
Sept. 1, 1931 ..	6,804	10,980	276	569	4,760	901	1,661	450	25,348
Dec. 1, 1931 ..	5,100	10,430	250	490	-	860	1,450	-	23,800

Compiled from Deutcher Reichsanzeiger, Viertel jahrshefte and cables from Agricultural Attache at Berlin.

Hog receipts at 14 German markets during December appear to have run heavier than in November when they reached 337,000 head, the highest November figure since 1927. Total receipts for the first two months (October-November) of the current pork season were 21.2 per cent larger than last season's corresponding figures. Slaughter returns for November for 36 centers place the total for the month at the high level of 458,000 head. The combined October and November figures were 27.5 per cent larger than for the corresponding months of the 1930-31 season. Preliminary import returns for November indicate that, despite the heavy domestic production, Germany continues to import more bacon than last year, principally from the Netherlands, but the November total was below that of October.

Hamburg lard prices declined seasonally during December, the average for the month being $8.96 per 100 pounds, one of the lowest figures on record. The decline represented a reduction of more than $3.30 below the December 1930 average. Imports continued to increase during November, reaching 19,180,000 pounds, an unusually large figure for that month. Denmark continues to provide an increasingly important share of the lard now being imported by Germany. Total imports for October and November 1931 were 58.3 per cent larger than for the same months last year.

HOGS AND PORK PRODUCTS: Indices of foreign supplies and demand

Country and item	Unit	1909-10 to 1913-14 average	1924-25 to 1928-29 average	Oct. - Nov. 1928-29	1929-30	1930-31	1931-32
UNITED KINGDOM:							
Production -							
Fat pigs, certain markets	1000's	110	120	152	136	128	145
Supplies, domestic fresh pork, London	1000 pounds		13,120	19,988	15,149	15,093	19,529
Imports -							
Bacon -							
Denmark	"	39,476	80,800	98,766	96,011	132,339	143,675
Irish F.State	"		12,380	15,626	11,273	6,779	8,191
United States	"	27,769	14,857	5,431	7,577	3,070	1,817
Canada	"	5,490	13,845	4,407	3,137	748	2,150
Others	"	8,022	24,843	37,445	29,272	39,189	58,693
Total	"	80,757	146,725	161,675	147,270	182,125	214,423
Ham, total	"	13,407	17,945	15,266	16,230	11,547	14,767
Lard, total	"	40,089	38,144	39,630	45,848	50,648	36,563
DENMARK:							
Exports -							
Bacon	"		80,142	94,614	97,129	132,691	145,068
CANADA:							
Slaughter -							
Hogs, inspected	1000's	301	471	432	441	328	506
GERMANY:							
Production -							
Hog receipts 14 cities	"		545	666	581	588	656
Hog slaughter 36 centers	"	747	671	856	713	696	688
Imports -	1000						
Bacon, total	pounds	537	4,242	1,628	3,399	3,609	8,735
Lard, total	"	36,421	35,487	29,033	39,311	24,068	37,821
UNITED STATES:							
Slaughter -							
Hogs, inspected	1000's	5,437	7,302	8,168	8,356	7,516	7,990
Exports -							
Bacon -	1000						
United Kingdom	pounds	20,282	8,991	3,303	6,633	3,310	1,181
Germany	"	362	2,103	202	1,649	130	993
Cuba	"	1,257	3,481	2,403	3,217	1,309	1,462
Total	"	28,506	21,421	11,689	21,310	6,714	4,856
Hams, shoulders							
United Kingdom	"	19,438	20,287	9,696	15,388	12,431	6,786
Total	"	23,093	24,712	12,384	19,236	15,348	12,487
Lard -							
United Kingdom	"	22,125	30,752	32,540	43,655	50,966	28,926
Germany	"	21,980	23,920	31,039	43,173	6,271	24,062
Cuba	"	5,791	13,003	13,680	12,826	5,743	6,977
Netherlands	"	5,165	5,216	6,805	8,809	1,558	3,725
Total	"	69,073	102,541	127,581	153,955	83,948	78,752

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HOGS AND PORK PRODUCTS: Foreign and domestic average prices per 100 pounds for the month indicated, and stocks at the end of each month

Item	November 1909-1913 average	November 1925-1929 average	November 1930	October 1931	November 1931
	Dollars	Dollars	Dollars	Dollars	Dollars
Prices-					
Hogs, Chicago, basis packers' and shippers' quotations	7.48	9.98	8.55	5.09	4.61
Corn, Chicago, No. 3 Yellow	1.07	1.50	1.27	.68	.76
Hogs, heavy, Berlin, live weight	12.05	16.47	13.21	9.60	8.94
Potatoes, Breslau feeding	.31	.46	.24	.33	.29
Barley, Leipzig	1.68	2.21	1.98	1.71	1.81
Lard-					
Chicago	10.92	14.74	12.31	8.58	8.47
Liverpool	12.50	14.17	12.46	9.37	8.21
Hamburg	14.46	14.97	13.32	10.27	9.54
Cured pork-					
Liverpool-					
American short cut green hams	14.70	24.89	21.70	15.72	12.37
American green bellies		21.90	a/	10.22	8.93
Danish Wiltshire sides	14.80	23.47	17.54	11.35	8.34
Canadian green sides	14.02	b/ 21.76	a/	a/	a/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Stocks-					
Liverpool-					
Hams, bacon and shoulders		2,593	942	1,641	1,864
Lard, refined		4,547	1,299	2,491	990
United States-					
Processed pork c/		428,894	411,704	379,746	394,263
Lard in cold storage		52,476	31,582	39,641	33,915

a/ No quotation. b/ Three-year average only. c/ Dry salt cured and in process of cure; pickled, cured, and in process of cure, and frozen.

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